

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6854**

**BILL NUMBER:** SB 270

**NOTE PREPARED:** Dec 26, 2003

**BILL AMENDED:**

**SUBJECT:** Expelled Students.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill allows a school corporation that determines it cannot serve a student because of the student's disruptive behavior or frequent unexcused absences to place the student in another setting. The bill provides that if the other setting is in another school corporation or a nonpublic school, the school corporation in which the student has legal settlement must pay the student's tuition. The bill sets a cap on the amount that the school corporation may expend for tuition for the student.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** *Summary:* Under the bill, a school corporation could place a disruptive student in another public school in a different school corporation. If a transaction, as described above, were attempted, the removing school corporation would pay to the receiving school corporation an amount not exceeding the removing school's target revenue for the student. The impact to local expenditures is indeterminable and would depend on local action.

*Example 1-* School corporation A removes a student that has target revenue of \$5,000 per student. School corporation B is the receiving school corporation and has educational costs of \$5,500 per student. Under the bill, school corporation A would pay school corporation B \$5,000 to receive the student.

*Example 2-* School corporation A removes a student that has a target revenue of \$6,000 per student. School Corporation B receives the student and has educational costs of \$4,800. School Corporation A would pay \$4,800 to school corporation B.

*Background:* For FY 2004, 99% of school corporations have target revenue per ADM ranging from \$4,700

to \$7,700. The median target revenue per ADM for FY 2004 is about \$5,000.

In school year 2000, 2,513 students were expelled for disruptive behavior. More recent data on expulsions by category is unavailable.

**Explanation of Local Revenues:** See *Explanation of Local Expenditures*.

**State Agencies Affected:**

**Local Agencies Affected:** School corporations.

**Information Sources:** DOE SAS and ORACLE DATABASES.

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